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**FISCAL IMPACT STATEMENT**

**LS 7817**

**BILL NUMBER:** SB 533

**NOTE PREPARED:** Apr 9, 2005

**BILL AMENDED:** Apr 7, 2005

**SUBJECT:** Various Driver Licensing Matters.

**FIRST AUTHOR:** Sen. Riegsecker

**FIRST SPONSOR:** Rep. Lehe

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**

**X DEDICATED**

**X FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill:

- (1) revises conflicting language concerning public records confidentiality;
- (2) requires the Driver Licensing Medical Advisory Board (DLMAB) to assist the Office of Traffic Safety (OTS);
- (3) requires the OTS to develop programs and materials concerning senior citizens' driving ability;
- (4) provides that certain driver's licenses issued to individuals at least 85 years of age expire two years after issuance and that a vision examination is required to renew these licenses;
- (5) provides that an individual who is at least 75 years of age must apply for or renew a driver's license at a license branch;
- (6) grants immunity from civil or criminal liability to a licensed physician, optometrist, or advanced practice nurse who makes a report to the Bureau of Motor Vehicles (BMV) concerning a patient's fitness to operate a motor vehicle not more than 30 days after having examined the patient;
- (7) revises fees for copies of certain BMV records;
- (8) revises educational and age requirements for a commercial driver training instructor's license;
- (9) requires the Commissioner of the BMV to administer the policies and procedures of the BMV and to submit budget proposals for the BMV to the Budget Director;
- (10) requires a person operating a license branch to collect service charges and deposit them in the License Branch Fund (LBF);
- (11) requires the operator of a vehicle involved in an accident to report the accident to the BMV within ten days of the accident under certain circumstances. (Current law requires the report to be made to the State Police.);
- (12) authorizes the BMV to determine a schedule for yearly registration of certain vehicles;
- (13) deletes the requirement that the BMV adopt an administrative rule requiring the Social Security number of the holder to be shown on a Commercial Driver's License (CDL);

- (14) changes the regulation of licensing of vehicle merchandising;
- (15) authorizes an eligible person to receive a Disabled Veteran license plate for each vehicle registered to the person;
- (16) revises requirements for a driver who is a diabetic operating certain motor vehicles used in intrastate commerce;
- (17) repeals the requirement that set the replacement cycle for certain license plates at one year, and sets the cycles for replacement at five years;
- (18) makes a technical correction; and
- (19) makes conforming changes.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) (*Part 1*): This part will have no fiscal impact.

(*Parts 2 and 3*): The Office of Traffic Safety reports that the materials and programs required to comply with this provision would come from the National Highway Traffic Safety Administration (NHTSA) and would be furnished at no charge to the OTS. The DLMAB provides assistance to the Commissioner of the BMV and the OTS with the driver licensing laws. It will continue to do so under this new provision. Whatever expenditures are attributable to this effort for the DLMAB will be minimal. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

(*Part 4*): The bill provides that certain driver's licenses issued to individuals at least 85 years of age expire two years after issuance and that a vision examination is required to renew these licenses. Current licenses expire after four years. This part will require the Bureau of Motor Vehicles Commission (BMVC) to conduct more vision examinations than otherwise might occur. The one-time related computer expenditures are estimated at \$5,400. The fund affected is the State License Branch Fund, which supports the BMVC.

*Part (5)* This part will have no fiscal impact.

*Part (8)*: Submission of BMV budget proposals directly to the State Budget Agency, rather than first to the BMVC, has the potential for reduced administrative expenditures. The funds affected are the Motor Vehicle Highway Account (MVHA), which supports the BMV, and the state License Branch Fund (LBF), which supports the operation of license branches throughout the state.

*Background Information:* As of June 30, 2004, the BMVC had a loan outstanding to the MVA in the amount of \$63.3 M. This represents funds transferred from the MVA to the State License Branch Fund to cover operating deficits incurred by the BMVC since the inception of the BMVC. It also includes start-up funds appropriated by the General Assembly for the operation of the BMVC.

(Revised) *Part (16)* In CY 2003, there were 6,032 Disabled Veteran license plates issued. This part could promote additional issuance of Disabled Veteran license plates. There are no additional fees charged for this plate.

**Explanation of State Revenues:** (Revised) (*Part 4*): To the extent that drivers at least 85 years of age will renew driver's licenses every two years as opposed to every four years, there may be a slight revenue increase. The fee for an operator's license is \$14 and is deposited in the MVHA. As of 2002, Indiana had 98,317 individuals aged 85 and over.

(Revised) *Part (5)* This part will have no fiscal impact.

(Revised) *(Part 7)*: The BMV will experience a revenue loss of \$3 per electronic title request beginning January 1, 2006. The specific revenue impact over time will depend upon the number of electronic title requests. Over the last five calendar years, the number of electronic title requests per year has increased from 52,000 to 118,000. Based on an estimated 182,000 electronic requests for 2006, there could be a revenue loss of \$546,000. The fund affected is the MVHA.

*Background Information*: Currently, the fee for motor vehicle title, driver's license, and/or registration information is \$5, whether requested in writing or electronically. Of this amount, \$4 goes to the BMV and a \$1 service fee goes to the Intelenet Commission. This proposal will change the fee arrangement beginning January 1, 2006. Effective on that date, the fee for an electronic request for title information is \$1, plus any service fee charged by the Intelenet Commission. The fee for information regarding a driver's license, vehicle registration, or permit is not changed. In addition, the fee for requests made in writing is not changed.

Below is a table which shows the number of electronic title requests over the last five calendar years, with CY 2004 totals through November and projected for December.

Year	Number of Electronic Title Requests	Annual % Increase
2000	51,855	-
2001	66,375	28%
2002	77,145	16%
2003	100,946	31%
2004	118,450	17%

The average percent increase over the last two years amounted to an annual rate of 24%, resulting in an estimated 147,000 transactions for 2005 and 182,000 transactions for 2006.

(Revised) *Part (16)* Issuing a CDL to heretofore ineligible persons will increase the number of CDLs issued. The fee for a four-year CDL is \$30, with \$15 deposited into the MVHA, \$14.50 deposited into the state License Branch Fund, and \$0.50 deposited into the BMV Technology Fund. In CY 2003, 16,321 CDLs were issued.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission; Office of Traffic Safety.

**Local Agencies Affected:**

**Information Sources:** Charolotte Ashburn, Office of Traffic Safety, 317-232-1296; Jane Morrical, Director of Treasury for the BMV, 317-232-2822.

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